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By: **Senator Stone**  
Introduced and read first time: January 31, 2003  
Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Liability Insurance - Valuation of Motor Vehicles**

3 FOR the purpose of requiring a certain insurer to use a certain value or average price  
4 to determine the fair market value of a motor vehicle that is totally destroyed in  
5 an accident; establishing that the determination of fair market value is subject  
6 to certain adjustments; and generally relating to the valuation of motor vehicles  
7 under motor vehicle liability insurance.

8 BY adding to  
9 Article - Insurance  
10 Section 27-914  
11 Annotated Code of Maryland  
12 (2002 Replacement Volume and 2002 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Insurance**

16 27-914.

17 (A) TO DETERMINE THE FAIR MARKET VALUE OF A MOTOR VEHICLE THAT IS  
18 TOTALLY DESTROYED IN AN ACCIDENT, AN INSURER THAT ISSUES OR DELIVERS A  
19 POLICY OF MOTOR VEHICLE LIABILITY INSURANCE IN THE STATE SHALL USE:

20 (1) THE VALUE OF THE MOTOR VEHICLE IN EFFECT ON THE RELEVANT  
21 DATE AS SET FORTH IN THE PUBLICATION OF USED CAR VALUES ADOPTED FOR USE  
22 BY THE STATE DEPARTMENT OF TRANSPORTATION; OR

23 (2) THE AVERAGE PRICE OF COMPARABLE MOTOR VEHICLES IN THE  
24 LOCAL MARKET AREA THAT MEET MINIMUM STATE SAFETY AND EMISSION  
25 STANDARDS AND OTHER CUSTOMARY AND REASONABLE CONDITION STANDARDS  
26 CONTAINED IN THE PUBLICATION OF USED CAR VALUES ADOPTED FOR USE BY THE  
27 STATE DEPARTMENT OF TRANSPORTATION.

1 (B) THE DETERMINATION OF FAIR MARKET VALUE UNDER SUBSECTION (A) OF  
2 THIS SECTION IS SUBJECT TO ADJUSTMENT UP OR DOWN BASED ON:

3 (1) CLEARLY DEFINED AND DISCLOSED CONDITION, EQUIPMENT, AND  
4 MILEAGE GUIDELINES USED BY THE INSURER TO DETERMINE THE VALUE OF THE  
5 MOTOR VEHICLE ON THE RELEVANT DATE; AND

6 (2) ANY OTHER CREDIBLE EVIDENCE OFFERED BY THE INSURER OR  
7 CLAIMANT TO DEMONSTRATE THAT THE VALUE SET FORTH IN THE PUBLICATION OF  
8 USED CAR VALUES ADOPTED FOR USE BY THE STATE DEPARTMENT OF  
9 TRANSPORTATION FAILS TO REFLECT:

10 (I) THE ACTUAL CONDITION OF THE MOTOR VEHICLE; OR

11 (II) THE ACTUAL CASH PRICE OF MOTOR VEHICLES IN THE SAME  
12 GENERAL CONDITION IN THE LOCAL MARKET AREA.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 October 1, 2003.